

**STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER**

*In the Matter of*

**BLATTER, GARY D.,**

Licensee.

Order No. 15-0151

WAOIC No. 844776

NPN 3818385

**CONSENT ORDER LEVYING  
A FINE**

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.17.530 and RCW 48.17.560 and Licensee Gary D. Blatter. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner's policies and procedures.

**BASIS:**

1. Gary D. Blatter ("the Licensee") is a resident insurance producer licensed to do business in the state of Washington and has been licensed with this state since October 15, 2013. Prior to obtaining his Washington insurance producer license, Licensee resided in Idaho and held a non-resident Washington producer license. Currently, Licensee has numerous active appointments, six of which are with Allstate. Licensee is licensed for the lines of Life, Disability, Property, Casualty, and Variable Lines.

2. The Insurance Commissioner investigated Licensee after receiving a complaint from a Washington consumer alleging that Licensee provided a quote for coverage, but when the policy was bound, the policy provided less coverage and the premium increased.

3. In 2014, the Washington consumer sought exterior building coverage for two commercial properties from the Licensee. The consumer wanted to secure two policies, one policy with \$1.2 million of coverage on one of the properties (the Tahoe property) and

\$400,000 of coverage on the other property (the Fonda property). The Licensee inspected the properties. Despite the consumer's desire to secure \$1.2 million in coverage for the Tahoe property, that property could not be secured for that amount of coverage because the building was a frame building, and as a result, coverage could only be obtained up to \$900,000. OIC investigators viewed the Tahoe building onsite, and the building is clearly a frame construction. However, a policy could have been secured for \$1.2 million of coverage if the Tahoe building was identified as a masonry building and not frame construction.

4. The Licensee submitted the Tahoe policy as a policy for a masonry building instead of a frame building in order to secure the consumer's desired coverage of \$1.2 million. The Licensee notified the consumer by email that he had altered the property quote, "I put the building as masonry to be able to support the value to \$1.2 M, with frame construction I could only get the values to a max of \$900K for the shell." Coverage for Tahoe LLC was quoted for \$1,200,000 with a \$1,165 premium. Coverage for Fonda LLC was quoted \$400,000 with a premium payment of \$581.

5. After receiving the policy submission, Allstate corrected the Tahoe policy to frame construction, which altered the premiums and coverage. After this correction to the Tahoe policy, the consumer cancelled both policies.

6. RCW 48.17.530(1)(e) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. By listing property as a masonry building when the property was clearly a frame construction in order to provide \$1.2 million dollars in coverage, the Licensee violated RCW 48.17.530(1)(e), justifying the imposition of a fine.

7. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere. By listing property as a masonry building when the property was clearly a frame construction in order to provide \$1.2 million dollars in coverage, the Licensee violated RCW 48.17.530(1)(h), justifying the imposition of a fine.

8. RCW 48.17.530 and 48.17.560 authorize the Commissioner to impose a fine of not more than \$1,000 for each violation of the insurance code in addition to or in lieu of revocation, suspension, or refusal to renew a producer's license.

**CONSENT TO ORDER:**

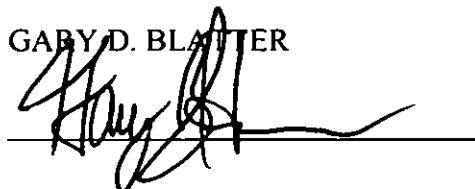
The Insurance Commissioner of the state of Washington and the Licensee agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Licensee consents to the following in consideration of his desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Licensee's payment of a fine, and upon such terms and conditions as are set forth below:

1. The Licensee acknowledges his duty to comply fully with the applicable laws of the state of Washington.
2. The Licensee consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$500.00 (Five Hundred Dollars) to be paid by **July 13, 2015**.
4. The Licensee understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order or any other insurance statutes and regulations constitutes grounds for further penalties, which may be imposed in direct response to further violations.
5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 23 day of June, 2015.

Signature:

GARY D. BLATTER



CONSENT ORDER LEVYING A FINE  
ORDER NO. 15-0151

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Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

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**AGREED ORDER:**

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

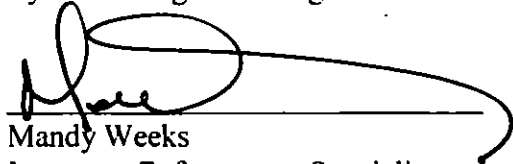
1. The Licensee shall pay a fine in the amount of \$500.00 (Five Hundred Dollars), receipt of which is hereby acknowledged by the Insurance Commissioner.
2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Licensee. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED at Tumwater, Washington, this 2nd day of July, 2015.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee



Mandy Weeks  
Insurance Enforcement Specialist  
Legal Affairs Division